

# Economic and Social Research in Peru: Working Together to Create Knowledge and Influence Policy



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*Dominique Trottier*

[Photo: CIES workshop.]

A new multi-disciplinary research consortium in Peru is improving how economic and social research is conducted there. Launched in April 1999, the Economic and Social Research Consortium (CIES) builds on the achievements of its predecessor, the [Economic Research Consortium](#) (CIE). Leaders of the new organization are working with the Consortium's 25 associates to promote a healthy mixture of collaboration and competition in conducting policy-oriented research. CIES is financially supported by the Canadian International Development Agency (CIDA) and the International Development Research Centre (IDRC), which will provide CA\$4.15 million through the year 2003.

The aim of the Consortium is to strengthen the research community's ability to produce and disseminate knowledge that is useful for policy analysts and decision-makers in and out of government. Ultimately, the hope is to contribute to the country's development by raising the level of debate on social and economic policy issues.

## **Decade of economic crisis**

Patricia Arregui, a researcher with the [Grupo de Análisis para el Desarrollo](#) (GRADE), says that most of the economic research produced in Peru over the last decade was financed by the CIE. Created in 1989, the old Consortium initially focused its efforts on maintaining a critical mass of economic researchers. "The principal challenge was to combat the brain drain generated by instability," says Javier Portocarrero, Deputy Director of the CIES.

When CIE was launched in 1989, Peru was facing an unprecedented crisis. Terrorism was rampant and inflation was at a record high. In this context, CIE focused its research on macroeconomic policies. During the 1990s, the Fujimori government imposed a form of shock treatment on the Peruvian state. It privatized whole branches of the public sector, imposed strict fiscal and monetary discipline, and changed the process for negotiating the foreign debt, in an effort to stabilize the situation. Several studies financed by the CIE examined these measures and proposed alternative solutions. But "the political powers that be were not very receptive, and CIE's skills for getting its message through were underdeveloped," laments Dr Portocarrero.

## **Influencing policy**

"During the initial stages, it was difficult to influence government policies, because the country was going through a crisis," says Carlos Eduardo Aramburu, the new Consortium's Executive Director. "Now that the situation is more stable, we hope to focus our projects more squarely on government needs."

Among the studies approved so far under the CIES umbrella are two large projects involving more than one research centre as well as research users. The first project is designed to improve Peru's fiscal and monetary policies. Participating researchers hope to construct a system of indicators for determining the impact of government policies, in order to modify them if necessary.

## **Addressing social problems**

The second project addresses poverty, the most serious problem facing Peru. "The government spends only 16% of its budget on the poorest fifth of the population, but it spends 21% on the richest fifth," says Gabriel Ortiz de Zevallos, one of the project managers. A coalition of research groups will study, among other things, the distribution of funding for education by geographic zone and education level. The research team will then recommend legislative amendments to the government, in order to create a more equitable system for distributing funds.

Although the original CIE focused on economic research, CIES takes a broader view, appealing to new disciplines, such as sociology and anthropology. "We need to collaborate with specialists in other disciplines [such as education and law] to make sure that the models we propose are suitable," says Dr Ortiz de Zevallos. "Economic science is the backbone of our projects, but we also want to take account of the social context in developing practical proposals."

## **Joining forces**

As the above examples illustrate, CIES promotes collaboration among its members. Larger-scale projects are awarded to coalitions of institutions, rather than just one centre. In this way, the Consortium aims "to encourage the best research institutions in the country to share their resources and their know how with the smaller institutions," explains Dr Aramburu. For example, the CIES Working Group on Poverty includes the [Instituto APOYO](#) and GRADE, two of the leading research centres in Peru, as well as two provincial universities: the National University of Puno (covering the Southern Andes) and the University of Piura (covering the northern coastal area), through which students and faculty will be able to participate.

Unlike the old Consortium, the CIES is open to expansion. "We've grown from 5 to 25 members," adds Dr Aramburu. And research fellowships are now granted to the best projects, rather than on a pro-rata basis. "This will help improve the productivity and quality of research."

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[Reducing Poverty and Inequity in Latin America](#), by Ken Eakin

[Coping with Capital Surges: The Return of Finance to Latin America](#)

[Economic Policy and the Transition to Democracy: The Latin American Experience](#)